

MINUTES OF THE ADJOURNED REGULAR MEETING

Tuesday, February 7 adjourned to Tuesday, February 14, 1978

Present - Members Mitchell, O'Connor, Lowery, Williams, Gade, Stirling,
Haro, and Chairman Wilson
Excused - Member Schnaubelt
Secretary- Deputy Linda Osborne

Chairman Wilson called the Adjourned Regular Meeting to order at 2:25 p.m.

The Secretary reported that copies of the Order of Adjournment covering the adjournment of this Meeting from Tuesday, February 7 to Tuesday, February 14 at 2:00 p.m. had been posted and mailed as required by law, and that proper Certificates of Posting and Mailing are on file.

Minutes of the regular meeting of February 7, 1978 were presented for approval. Following Member Williams' questions concerning the excerpts of minutes on the Order of Adjournment, the Chairman advised that late arrivals and early departures be recorded as they are in the records of the City Clerk. Member Haro moved and Member Stirling seconded that the minutes be approved; the motion carried unanimously.

Member Lowery also stated that he wished the record to show that at the meeting of February 7, 1978, he had been excused.

The next item on the agenda, Matter of Allocation of Funds for Centre City Redevelopment Projects, was begun with a summary explanation by John Fowler, Deputy Executive Director, of the Manager's Report of February 7, 1978. He stated that in addition to the broad scope of suggested funding described in the report, an alternative source could be found in the accelerated sale of City properties. This, he said, would compensate in part for a proposed reduction in the use of Community Development Block Grant funds, a concern which Agency members had expressed earlier. \$9 million in unanticipated land sales has been realized, he said, and more could be available depending upon Council action the following day, February 15, on Item 202 referred by the Rules Committee, which describes the "Industrial Development Fund," 50% of which may be used for redevelopment of downtown. Among the other sources of funding were Capital Outlay Funds, Gas Tax Funds, and Transient Occupancy Funds, the uses of which were matched up with the type of expenditure most appropriate.

Following his initial presentation, Mr. Fowler answered questions of the Agency members, as did Gerald Trimble and Dean Dunphy of the Centre City Development Corporation.

Mr. Fowler said the City's only commitment now is the \$1 million from the Capital Outlay Fund to provide the necessary seed money to begin Marina acquisition. Other funds would not be available until July 1, 1978; CDBG money available at the earliest in January, 1979.

During a brief interval, Chairman Wilson left the meeting, and Vice Chairman Haro assumed the chair.

Member Stirling stated his opposition to deferring CIP projects. On an alternative source of funding, the sale of City-owned lands, he asked the Manager's office to thoroughly explore the sale of lands (not only in the proposed amount of \$4 million referred to in Item 4, page 4 of the February 7 report, but additional properties) and report back with an inventory. He also suggested a newsletter to help keep property owners and tenants in project areas informed, especially where possible participation agreements might be anticipated.

Member Lowery suggested that where some of the City land is presently designated "lease only", the Council could change that. Executive Director Hugh McKinley urged a philosophical consideration of the holding of land; when it is sold, it's a one-time use. When it is leased it is still available for some future purpose. Member Lowery said he is committed to downtown redevelopment but wants "to explore as many sources of revenue as we can."

Member Haro said that in regard to Item 1, page 4 of the report, he was objecting to the amount of \$12.4 million in CDBG discretionary funds, that he wanted 20% of that amount to be set aside for future commercial. Chairman Wilson said that makes sense: that approximately \$10 million would come from CDBG discretionary funds over the next five-year period for the Marina Project, and that the balance of \$2.4 million would come from the Land Trust. Member Haro put that in the form of a motion, with Member Stirling seconding. Member Williams moved to amend--to set aside 25% rather than 20%; Member Gade seconded the amendment. The vote was Yeas - Williams, Gade; Nays - Mitchell, O'Connor, Lowery, Stirling, Haro, Wilson. The amendment was defeated.

The motion was then passed unanimously, that in the proposed financing plan (Item 1, page 4 of the Feb. 7 report) the amount of approximately \$10 million (or 80% of the proposed \$12.4 million) come from CDBG discretionary funds over the next five-year period for the Marina Project, the remaining \$2.4 million difference to be made up in land sales.

Member O'Connor left the meeting.

Chairman Wilson ruled out of order Member Gade's motion regarding the placement of the convention center on the ballot. That is to be delayed until the matter of ballot propositions and/or convention center financing comes up.

Member Stirling moved and Member Lowery seconded the adoption as policy overview of all items of the proposed financing plan (page 4 of the Feb. 7 report) except for Item 4. "In place of Item 4," he said, "we want an absolute and complete review of land sales to make up this gap." Chairman Wilson restated the motion as a deletion of Item 4 and the substitution in its place for the \$4 million necessary to make up the gap in the proposed financing plan, that it be ascertained if that amount can be made available after a survey of lands available for sale in the City's inventor

Member Gade moved to make an amendment that no further action be taken on the financing plan until the information on the sale of land is available. For lack of a second, the motion died.

Member Lowery requested that in Item 6 (p. 4 of Feb. 7 report), an explanation be given of the \$30,000 for the Convention Center. Chairman Wilson said that had been approved in Rules Committee; that the \$30,000 is the funding necessary to permit CCDC to proceed to contact developers for the purpose of securing from them their interest in development of a convention center. "It is exploratory," he said. Member Lowery agreed that that seemed reasonable, but asked that in the same Item 6, the amount of \$1.85 million from Transient Occupancy Funds for the Convention Center be deleted. Chairman Wilson received the approval of Member Stirling to incorporate that into his motion.

At that time Joe Nalven was referred to the Agency by Member Williams. His concern was the proposed Marina housing. The per-unit cost he felt should be stated in realistic terms, that the range (\$45,000-75,000) be cited rather than the low end of the figure. That HUD's breakdown for low-cost housing (160 for elderly; 50 for family) be reconsidered as far as the proportion or nature of the mix is concerned. Mr. Trimble, in response, said he would go on record saying "We'll try to increase the number of family units."

Member Stirling's motion was then considered, to adopt the proposed financing plan less Item 4 and less the \$1.85 million in Item 6, with the understanding that the Manager is to thoroughly explore the funding of the \$4 million spoken of in Item 4 on sale of lands and report back with that inventory. The motion passed with the following vote: Yeas - Mitchell, Lowery, Williams, Stirling, Haro, Wilson. Nay - Gade.

(See attachment for original proposed financing plan, and changes voted upon and approved during above actions.)

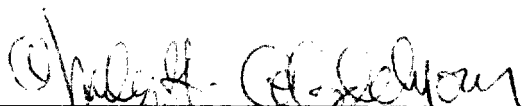
It was then moved that because of the lateness of the time, the meeting be continued until 2:00 p.m. Tuesday, February 21, 1978, to consider the last item on the agenda, Matter of Response to Councilman Gade's Questions on CCDC Activities.

The meeting was adjourned at 4:43 p.m.



Chairman of the Redevelopment Agency
of The City of San Diego, California

ATTEST:



Secretary of the Redevelopment Agency
of The City of San Diego, California

The Financing Plan for Centre City Redevelopment Project Funding, as originally proposed by the City Manager's office, was approved by action of the members of the Redevelopment Agency on February 14, 1978, with the following deletions and changes:

1. ~~\$12.4 million~~ ^{\$10 million approximately, or 80%} from CDBG discretionary funds over the next five-year period for the Marina Project. ^{\$2.4 million to come from Land Trust.}
2. \$2.6 million from CDBG funds for acquisition of property for low-income housing in the Marina area.
3. \$300,000 from CDBG funds for the Gaslamp Project.
4. ~~\$4 million in Capital Outlay Funds for the Marina Project, consisting of \$1 million from the CO fund reserve, CIP 90-245.2 in FY 78; \$1.5 million in FY 79 from land sales; and \$0.5 million in each Fiscal Year 81, 82, and 83.~~ ^{Explore sale of lands for proposed \$4 million}
5. \$2.18 million from Environmental Growth Funds for FY 79 to provide for the expansion of Horton Plaza Park.
6. \$30,000 in FY 78 ^{Delete} ~~and \$1.85 million in FY 79~~ from Transient Occupancy Funds for Convention Center. (Note: See Council Report regarding this subject 2-3-78.)
7. \$3.81 million from Gas Tax Funds for Fiscal Years 83 and 84 to finance in part the relocation of Pacific Highway. It should be noted that this relocation would be contingent upon redevelopment of the lands west of SDA&E Railroad.
8. \$540,000 from Gas Tax Funds for Fiscal Years 79-82, inclusive, for street improvements in Gaslamp and \$1.13 million from Gas Tax in FY 82 for street improvements for Horton Plaza Retail.